

Message Text

CONFIDENTIAL

PAGE 01 MANILA 13819 020503Z

ACTION EB-08

INFO OCT-01 EUR-12 EA-10 ISO-00 AGRE-00 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 SP-02 STR-04

TRSE-00 FRB-03 OMB-01 L-03 IO-13 /068 W

-----041400 020508Z /12

P R 020417Z SEP 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 4590

INFO AMEMBASSY LONDON

C O N F I D E N T I A L MANILA 13819

E.O. 11652: GDS

TAGS: ETRD, EAGR, RP

SUBJECT: SUGAR: ISA MEETING AND PHILIPPINE SITUATION

REF: (A) STATE 198316, (B) MANILA 13704

1. ACTING E/C COUNSELOR CALLED ON AMBASSADOR ROBERT BENEDICTO, COMMISSIONER, PHILIPPINE SUGAR COMMISSION (PHILSUCOM) AT HIS REQUEST TO DISCUSS UPCOMING ISA MEETING IN GENEVA. U.S. PROPOSALS ON SEPTEMBER NEGOTIATIONS (REFTEL A) WERE DISCUSSED. BENEDICTO AGREED WITH U.S. TIMETABLE, NOTING THAT GENERAL CONSENSUS SHOULD BE REACHED ON MAJOR ISSUES DURING FIRST TWO WEEKS FOR AGREEMENT TO BE LIKELY. GENERALLY, THE AMBASSADOR ECHOED JOSE UNSON'S REMARKS (REFTEL B), SINGLED OUT QUOTE DETERMINATION AS MOST DIFFICULT TASK, AND SAID HE HOPES DRAFT ON QUOTAS WILL BE TABLED IN FIRST 48 HOURS OF CONFERENCE TO AVOID BECOMING BOGGED DOWN ON THIS ISSUE LATER IN CONFERENCE. BENEDICTO WAS VERY UPBEAT ON CONFERENCE AS A WHOLE AND BELIEVES AGREEMENT POSSIBLE. GOP DELEGATION WILL BE SAME AS PREVIOUS ISA NEGOTIATING SESSION WITH EXCEPTION OF UNSON AND DACANAY (AS REPORTED REFTEL B). BENEDICTO PLANS (HE SAYS) TO REMAIN IN GENEVA FULL THREE WEEKS AND SPOKE HIGHLY OF U.S. DELEGATION, MENTIONING PARTICULARLY KATZ AND O'DONNELL.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MANILA 13819 020503Z

2. REGARDING GOP SUGAR SITUATION, BENEDICTO SAID SALES ARE GOOD: SOVIETS ARE STILL BUYING AND PRC HAS BOUGHT 1.6 MILLION TONS FROM ALL SOURCES THIS YEAR. PHILIPPINES SHIPPED 250,000 TONS IN AUGUST AND WILL SHIP ANOTHER 250,000 TONS IN SEPTEMBER. JAPAN IS TURNING TO PHILIPPINES AS ALTERNATE SUPPLIER SINCE TALKS WITH AUSTRALIANS ARE STILL DEADLOCKED. IN ADDITION, SUCREST IS TAKING RELATIVELY LARGE

AMOUNTS OF SUGAR IN ANTICIPATION OF POSSIBLE IMPLEMENTATION OF TRADE BARRIERS BY U.S. (COMMENT: BENEDICTO IS A CONGENITAL OPTIMIST ABOUT PHILIPPINE SUGAR SITUATION AND, IT APPEARS, ALWAYS CONSCIOUS OF EFFECT OF HIS REMARKS ON MARKET CONDITIONS. NEVERTHELESS, GOP SALES VOLUME DURING CY 1977 IS IMPRESSIVE. END COMMENT).

3. REGARDING PURCHASE OF SUCREST GROUP BY FLOIRENDO GROUP, BENEDICTO SAID INTENTION AT PRESENT WAS TO LEAVE SUCREST MANAGEMENT INTACT. WHEN QUERIED ABOUT SOURCE OF FLOIRENDO'S FINANCING, BENEDICTO REPLIED THAT THE SUCREST PURCHASE REPRESENTED "A LOT OF BANANAS." ONE PARTICIPANT IN THE MEETING NOTED, "IF FLOIRENDO ONLY HAD CORNFLAKES, WE COULD HAVE AN AMERICAN BREAKFAST." (COMMENT. AS PREVIOUSLY REPORTED, FLOIRENDO, LARGEST BANANA PLANTER IN THE PHILIPPINES, HAS WIDE BUSINESS INTERESTS AND IS CONSIDERED TO BE ONE OF MARCOS' "FINANCIAL ADVISORS". END COMMENT).

4. COMMENT: BENEDICTO, NOTED IN THE PAST FOR HIS ANTI-AMERICAN SENTIMENTS, REQUESTED THE MEETING AND WAS AFFABLE THROUGHOUT. WE BELIEVE THE AMBASSADOR MAY NOT HAVE A MORE BUSINESS-LIKE APPRECIATION OF SUGAR MARKETS AND THE ROLE OF THE U.S. SINCE THE PERIOD IN 1974/75 WHEN HE REPORTEDLY ADVISED MARCOS TO HOLD SUGAR IN AN ATTEMPT TO INFLUENCE THE PRICE.
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MANILA 13819 020503Z

STULL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA13819
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770317-1288
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197709103/aaaadiwa.tel
Line Count: 95
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 435a8739-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 198316, 77 MANILA 13704
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1071744
Secure: OPEN
Status: NATIVE
Subject: SUGAR: ISA MEETING AND PHILIPPINE SITUATION
TAGS: ETRD, EAGR, RP
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/435a8739-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009